Counting and Claiming

Section 7 Update Guide

January 15, 2015

Updated Section 7, Counting and Claiming to incorporate the following United States Department of Agriculture (USDA) guidance:

- USDA Memo SP 16-2015, Community Eligibility Provision: Guidance and Updated Q&As (January 14, 2015)
- USDA Memo SP 51-2014, Eligibility Effective Date for Directly Certified Students (June 19, 2014)
- USDA Memo SP 30-2014, Determining Eligibility for Two Cent Differential Reimbursement in New Schools (March 28, 2014)
- USDA Memo SP 11-2014, Effective Date of Free or Reduced-Price Meal Eligibility (December 3, 2013)
- USDA Memo SBP 23-2005, Eligibility for Severe Need Rates for School Breakfast Program (September 22, 2005)

Clarified information on the following topics:

- Additional reimbursements
- All cash lines
- Attendance factor
- Automated Accuclaim error messages in TX-UNPS
- Claiming, special situations
  - Audit findings
  - Community Eligibility Provision
  - Effectiveness date for eligibility determination
  - Offsite meals
  - Performance-based reimbursement
  - Provision 2
  - Severe need, breakfast and lunch
  - Universal feeding
  - Visiting students
  - Weekend meals
  - Universal free feeding sites
- Counting practices
- Daily Record/Accuclaim Form
- Lost, stolen or misused tickets
- Master list or roster of program participants
- Overt identification
- Payment and charging
- Records retention
- TDA operating day
April 16, 2014  Updated Section 7, Counting and Claiming to incorporate the following United States Department of Agriculture (USDA) guidance:
   - USDA Memo SP 11-2014, Effective Date of Free or Reduced-Price Meal Eligibility (December 3, 2013)
   - USDA Memo SP 17-2014, Discretionary Elimination of Reduced-Price Charges in the School Meal Program (January 22, 2014)
Clarified information on the following topics:
   - Accuclaim requirements
   - Claiming: students in nontraditional programs
   - Coding methods: verbal identifier, tickets or tokens, coded identifier (ID) cards
   - Effective date of free or reduced-price meal eligibility
   - Lost or stolen tickets
   - Offsite meal consumption
   - Student workers
   - Records retention
   - TDA contact information
   - Unacceptable methods of counting
   - Use of rosters and master lists
   - Visiting students

February 28, 2013  Updated Section 7, Counting and Claiming to incorporate new USDA guidance on reimbursement, the new meal pattern, and overt identification.

July 22, 2013  Updated Section 7, Counting and Claiming to reflect the renumbering of Section 9C to Section 2C, Certification for Performance-Based Reimbursement in order to relocate the information on certification adjacent to Section 2, Application and Agreement since certification is now part of the application process. Deleted all references to Section 8N since that section has been removed from the Administrator’s Reference Manual (ARM). CEs must follow the guidance provided in Section 8, Breakfast since Section 8N applied to SY 2012–2013 only.

August 9, 2013  Updated Section 7, Counting and Claiming to reflect current guidance on claiming meals for visiting students.

August 15, 2013  Updated Section 7, Counting and Claiming to retitle the onsite monitoring form.
Table of Contents

Programs .................................................................................................................. 7.7

Effective Counting and Claiming System ................................................................. 7.7

Definitions .................................................................................................................. 7.8

Counting, Coding, and Recording Meals Served ....................................................... 7.10

Point of Service (POS) .............................................................................................. 7.10
  Community Eligibility Provision (CEP) and Provision 2 (P2) Point of Service (POS) Systems 7.11
  Master List or Roster of Program Participants .......................................................... 7.11

Coding ....................................................................................................................... 7.12
  Standards for Coding .............................................................................................. 7.12
  Strategies to Prevent Overt Identification ................................................................ 7.13
  Coding Methods ..................................................................................................... 7.13
  Prohibited Coding Practices .................................................................................. 7.15

Unacceptable Meal Counting Methods ...................................................................... 7.16

Medium of Exchange ............................................................................................... 7.17

Elimination of Reduced-Price Charges, Non-Special Provision or Universal Feeding Sites ................................................................. 7.17

Claiming Reimbursement for Meals and Milk Served .................................................. 7.18

Standard Counting and Claiming for Reimbursable Meals ...................................... 7.18
  Reimbursement Rates ............................................................................................ 7.18
  Standard Claiming Calculation ............................................................................. 7.18
  Standard Claiming, Rounding .............................................................................. 7.19
  Increased ISP Mid Cycle ...................................................................................... 7.19

Special Provision Counting and Claiming for Reimbursable Meals ......................... 7.19
  Special Provision Claiming, Rounding .................................................................. 7.20
  Designated Staff to Submit Reimbursement Claims ............................................... 7.23

Special Situations, Claiming ................................................................................... 7.23
  Additional Reimbursements Special Provision Options ......................................... 7.23
  All Cash Lines ....................................................................................................... 7.23
  Alternative Schools or In-School Suspension ....................................................... 7.23
  Community Eligibility Provision (CEP) ................................................................ 7.24
  *For Example:* ..................................................................................................... 7.24
  Meals Prepared for Field Trips ............................................................................. 7.24
  Offsite Reimbursable Meal ................................................................................... 7.24
Students in Special Off-Campus Programs ................................................................. 7.25
Student Workers ...................................................................................................... 7.25
Visiting SNP Participants ....................................................................................... 7.25
Weekend Meal Service ........................................................................................... 7.26

**Performance-Based Reimbursement for Reimbursable Meals** ................................ 7.26
Previously Certified Sites No Longer Eligible for Performance-Based Reimbursement .... 7.26
New CEs .................................................................................................................. 7.26

**Severe Need Breakfast Reimbursement for Reimbursable Meals** ...................... 7.27
Amount of Reimbursement ...................................................................................... 7.27
Existing Sites Whose Percentage Falls Below 40 Percent ........................................ 7.27
New Sites .................................................................................................................. 7.27

**Severe Need Lunch Reimbursement (Two Cent Differential) for Reimbursable Meals** ...... 7.28
Amount of Reimbursement ...................................................................................... 7.28
CEs Whose Percentage Falls Below 60 Percent ...................................................... 7.28
New CEs .................................................................................................................. 7.29

**Reimbursement Procedures** .................................................................................. 7.29
60-Calendar Day Rule ............................................................................................ 7.30
Effective Date for Eligibility Determination .......................................................... 7.31
Response to Audit Findings ................................................................................... 7.31
Adjusted Claims ..................................................................................................... 7.31
Downward Adjustments ......................................................................................... 7.31
Repeated Adjusted Claims Within the 60-Calendar Day Rule Timeframe .............. 7.32
Upward Adjustments ............................................................................................. 7.32
Late Claim ............................................................................................................... 7.33
One-Time Exception Payment Provision ............................................................... 7.33
Late Claim Exception for Good Cause ................................................................. 7.33
Late Claim Exception for Good Cause Procedure ................................................. 7.34
Claims, Automated Accuclaim Error Messages .................................................. 7.34

**Daily Record/Accuclaim Form** ............................................................................ 7.35
Edit Check Record ................................................................................................. 7.35

*Daily Record/Accuclaim Form for NSLP and SBP Feeding Sites Operating the Community Eligibility Provision (CEP) or Provision 2 (P2)* ......................................................... 7.36
*Daily Record/Accuclaim Form for NSLP and SBP Sites Participating in the NSLP or SBP during the Summer* ................................................................. 7.36
Daily Record/Accuclaim Form Results ................................................................ 7.36
Onsite Review ................................................................................................................. 7.37

Additional Resources ............................................................................................... 7.38

Records Retention, Counting and Claiming ............................................................... 7.38
 Participation Records and Reports .................................................................................. 7.39
 Daily Participation Report ............................................................................................ 7.39
 Claiming Records ......................................................................................................... 7.39
 Edit Check Discrepancies or Problems ......................................................................... 7.40
 Visiting SNP Participants Documentation ..................................................................... 7.40
 Compliance .................................................................................................................. 7.40

Table of Contents Information Boxes and Charts
 Information Box 1, Factors That Influence a Counting and Claiming System ............... 7.7
 Information Box 2, Coding Suggestions ......................................................................... 7.12
 CEP Claiming Percentage for Grouped Sites Calculation Chart .................................... 7.20
 60-Calendar Day Rule Chart ......................................................................................... 7.30
 Calculating the Attendance Factor Chart ....................................................................... 7.35
 Daily Record/Accuclaim Chart ....................................................................................... 7.37
 Information Box 4, Retention of Records ................................................................... 7.38
Contact Information for the Texas Department of Agriculture (TDA), Food and Nutrition

When contacting TDA by phone, Contracting Entities (CEs) need to have their CE Identification Number (CE ID) (and site ID if applicable). CEs should include their name and CE ID (and site name and ID if applicable) in all communication or documentation.

Website:  www.squaremeals.org
Phone:  877-TEX-MEAL, (877) 839 -6325  |  Fax:  (888) 203-6593

Physical Address:  1700 N. Congress, 11th Floor, Austin, TX 78701
Mailing Address:  PO Box 12847, Austin, TX  78711-2847

Email Contact:  squaremeals@TexasAgriculture.gov

Email Contact for Issues Related to Applications:
National School Lunch Program, School Breakfast Program, and Special Milk Program:
   NSLP-SBP.BOps@TexasAgriculture.gov
Fresh Fruit and Vegetable Program:
   FFVP.BOps@TexasAgriculture.gov
Seamless Summer Option:
   SSO.BOps@TexasAgriculture.gov
Child and Adult Care Food Program:
   CACFP.BOps@TexasAgriculture.gov
Summer Food Service Program:
   SFSP.BOps@TexasAgriculture.gov
Counting and Claiming

Each Contracting Entity (CE) must develop a system of counting and claiming that (1) meets the requirements of the Texas Department of Agriculture (TDA) and United States Department of Agriculture (USDA) and (2) addresses the needs of the individual CE (See Information Box 1, Factors That Influence a Counting and Claiming System).

In developing an effective system of counting and claiming, the CE will take the following actions:

1. Describe its counting and claiming system in the Policy Statement for Free and Reduced-Price Meals, Attachment B: Meal Count/Collection Procedure(s).1

2. Implement the counting and claiming system as written.

3. Provide staff with all necessary training, so they are ready to implement the written counting and claiming procedures.

Programs. The guidance provided in this section applies to the following programs:

- National School Lunch Program (NSLP)
  - Fresh Fruit and Vegetable Program (FFVP)
  - Afterschool Care Program (ASCP)
  - Seamless Summer Option (SSO)
- School Breakfast Program (SBP)
- Special Milk Program (SMP)

Effective Counting and Claiming System

An effective counting and claiming system will allow a CE to accurately report reimbursable meals or milk served by eligibility category—

Information Box 1
Factors That Influence a Counting and Claiming System

Contextual Needs
- Size of the site/s
- Number of meals served
- Number of students participating in the program
- Percentage of students receiving free, reduced-price, and paid meals
- Grade levels involved

Meal Accountability Needs
- Point of service capabilities
- Prevention of overt identification
- Recording and controlling child eligibility
- Reimbursable meals served and counted
- Edits and internal checks
- Reporting procedures
- Personnel training and skills

Administrative Considerations
- Account balances maintenance
- Financial analysis such as budget and sales
- Program profit and loss status, including self-sustainability
- Daily operations
- Personnel training such as cost and time
- Support and updating processes
- Technology needs

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1 See Administrator’s Reference Manual (ARM), Section 2, Application and Agreement for additional information on this form.
free, reduced-price, and paid. A CE’s system for counting and claiming must include procedures that address the following aspects of its system:

- **Counting, Coding, and Recording Meals Served**—an accurate method to determine the number of reimbursable meals served by eligibility category
- **Claiming Reimbursement for Meals Served**—a timely and accurate method of submitting the number of reimbursable meals eligible for reimbursement
- **Retaining Documentation on Counting and Claiming**—a well-organized method of maintaining documentation about the number of meals served by eligibility category and the number of reimbursable meals claimed

## Definitions

For this section, the following terms will be used:

<table>
<thead>
<tr>
<th>Benefit Issuance List</th>
<th>Master List of Program Participants</th>
<th>Roster of Program Participants</th>
</tr>
</thead>
</table>

### Benefit Issuance List

A list of students that may be served meals—The list must contain the following information:

- Student’s name
- Eligibility status
- Date and notation of any changes in eligibility status

### Master List of Program Participants

Typically, a list of all students (free, reduced-price, and paid) enrolled at each site as well as detailed information that may be useful for program planning, eligibility determination, verification, or other needs which commonly includes the following types of information:

- Student’s name
- Campus location
- Eligibility status
- Date of eligibility determination
- Date and notation of any changes in status
- Grade level
- Source of eligibility status (may be more than one)
- Teacher

### Roster

Typically, a list of all students (free, reduced-price, and paid) enrolled at each site. Typically, a roster would include the following information:

- Student’s name
- Eligibility status
- Date of eligibility determination
- Date and notation of any changes in status

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2 See the Administrator’s Reference Manual (ARM), Section 8, Breakfast; Section 9, Lunch.; Section 10, Afterschool Care Program; Section 12, Seamless Summer Operation, and Section 26, Residential Child Care Institutions (RCCIs) for detailed information on a reimbursable meal.

3 See the Administrator’s Reference Manual, Section 4, Determining Eligibility for additional information on information that CEs may or may not collect from households.
<table>
<thead>
<tr>
<th>Equal Access</th>
<th>A requirement that every student, no matter the eligibility, have equal access to a reimbursable meal in a line that does not overtly identify the student’s eligibility status—If any line is not made available to all students, meals served on that line may not be claimed for reimbursement.</th>
</tr>
</thead>
</table>
| Identified Student Percentage | Percentage used for CEP that is determined by dividing the number of identified students by the number of enrolled students. 

\[
\text{(Number of Identified Students)} \div \text{(Number of Enrolled Students)} = \text{ISP}
\] |
| Identified Students | Identified students are approved as eligible for free meals and are not subject to verification. Any student who has access to NSLP or SBP may be an Identified Student as long as the student is certified as eligible without an application. |
| Medium of Exchange | The way or method students pay for meals during meal service—The medium of exchange must also ensure that there is no overt identification of a student’s eligibility status. |
| Multiplier Factor | The number that is multiplied by the ISP to calculate the CE’s reimbursement rate. This factor adjusts the ISP for reduced-price meals that are not included in the ISP. 

\[
\text{(ISP)} \times \text{(Multiplier Factor)} = \text{Percentage of Meals Served Reimbursed at the Free Rate}
\] |
| Overt Identification | Any action the CE takes that may result in a student being recognized as eligible or potentially eligible to receive or certified for free or reduced-price meals including at the point of service (POS). |
| Point of Service (POS) | The point in the food service operation where a determination can accurately be made that a reimbursable free, reduced-price, or paid meal has been served to an eligible student. This determination is made by the cashier or an appropriate serving staff member. |
| Reimbursement | Federal cash assistance, including advances, paid or payable to participating CEs for meals that (1) meet the meal pattern requirements and (2) are served to eligible students. CEs use the claiming and reporting process to get reimbursed for free, reduced-price, and paid meals served to eligible students. |
| Reimbursable Meal | A meal that offers all of the required meal pattern food items in the required serving sizes for the student’s age/grade group. |
| TDA Operating Day | Monday through Friday from 8 a.m. to 5 p.m. central time, excluding weekends and days that TDA is closed to the public. |
| Universal Free Feeding (Universal Feeding) | A site which offers a reimbursable meal at no cost to all participants, including, but not limited to, programs that operate Provision 2, Community Eligibility Provision, and Universal Free Breakfast. |

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4 CEs should place all food components prior to the point of service. For additional information on this topic, see Administrator’s Reference Manual (ARM), Section 8, Breakfast; Section 9, Lunch; Section 10, Afterschool Care Program; and Section 26, Residential Child Care Institutions.

5 See the Administrator’s Reference Manual (ARM), Section 8, Breakfast; Section 9, Lunch; Section 10, Afterschool Care Program; and Section 26, Residential Child Care Institutions for additional information on a reimbursable meal.
Counting, Coding, and Recording Meals Served

CEs are required to establish procedures for counting, coding, and reporting the following information:

- An accurate daily count of the number of students receiving a reimbursable meal by category by type of meal served—one lunch, breakfast, and/or snack per student per day
- An accurate process for coding reimbursable and non-reimbursable meals served to students by eligibility category—free, reduced-price or paid
- Processes or common practices that prevent overt identification of student eligibility status

Any CE that needs assistance in defining its needs and identifying the most appropriate system for counting, coding, and recording meals should contact its regional education service center (ESC) child nutrition specialist or TDA.

Point of Service (POS)

The point of service (POS) must be located at the end of the service line. If a site is not able to put all of the food components (e.g., fruit salad bar) prior to the POS, the CE should indicate the alternative POS process on Policy Statement for Free and Reduced-Price Meals, Attachment B: Meal Count/Collection Procedures. Regardless of where meals are served, an effective point of service (POS) meal counting system must be in place to properly count and document the meals served whether in the cafeteria, classroom, or on a field trip.

Counts taken by any method that does not link the student to the reimbursable meal the student is given or selects at the POS are likely to be problematic.

Working with staff, teachers, and administrators on an on-going basis is the key to maintaining a successful POS system. The CE is responsible for making sure that the cashier or staff member assigned at the point of service (POS), as well as a substitute cashier or staff member, is able to determine if the meal the student is served meets meal pattern requirements for a reimbursable meal.

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6 See the Records Retention, Counting and Claiming subsection in this section for information on requirements for documentation retention on this topic.

7 Located at http://www.squaremeals.org and in the Download Forms screen in TX-UNPS.

8 See the Administrator’s Reference Manual (ARM), Section 8, Breakfast; Section 9, Lunch; and Section 26, Residential Child Care Institutions for detailed information on a reimbursable meal.
The CE’s counting, coding, and recording procedures begin with the actions and observations of the cashier or staff member working at the POS—the end of the serving line. The cashier is responsible to

1. determine accurately if a reimbursable meal has been selected by each student,
2. use the CE’s coding and counting system to record the meal served to the student, and
3. ensure that only one reimbursable meal is served to each student during each meal service with the exception of second breakfasts as appropriate.

An accurate reimbursable meal count may be achieved through a variety of methods—manual or automated. In recent years, many CEs have chosen to implement POS systems which incorporate technologies such as personal identification numbers (PIN), biometrics, and other individual student identifiers. If an automated system is used, the CE must have a manual back-up system in place in case of mechanical failure.

**Community Eligibility Provision (CEP) and Provision 2 (P2) Point of Service (POS) Systems.** When operating CEP or P2, CEs are required to maintain a point of service (POS) system that provides an accurate count of reimbursable meals served to students at each meal service. This includes having a system that meets the following criteria:

- Method to monitor serving lines to ensure that all meals claimed for reimbursement meet the meal pattern requirements for a reimbursable meal.
- Method to ensure that reimbursement is claimed for only one reimbursable meal per student per meal with the exception of second breakfasts as appropriate.

When implementing CEP, USDA encourages school systems to maintain an accurate POS system that has a proven track record of reliability and security.

**Master List or Roster of Program Participants.** Maintaining an accurate master list or roster of students—free, reduced-price, and paid—who participate in the meal program is essential to the CE’s efforts to provide an accurate POS count of meals served by eligibility category at each site. The master list or roster is used by the CE to match a specific student’s eligibility status to the monthly claim for reimbursable meals served and to complete the daily participation report.

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9 If a CE is unable to position the POS at the end of the serving line, the CE should contact TDA.
10 A back-up system includes, but is not limited to, using the roster or benefit issuance list.
The master list or roster provides the following information to assist the CE in submitting reimbursement claims:

- Highest number of eligible students that may be served meals—free, reduced-price, and paid—at a particular site
- Any change of the eligibility status for any participating student
- Date and initials of the person recording any change of eligibility status for any participating student
- Timeliness of making changes in status eligibility
- Record of benefit issuance that ensures that every student is receiving the benefits to which he or she is entitled
- Designation of categorical eligibility, if applicable.

Master lists or rosters are usually alphabetical for simplicity; however, CEs may use other classification strategies including grade groups, class, or meal period.

**Coding**

An effective coding method is central to reporting accurate meal counts by eligibility categories. CEs must describe their procedures for coding in the *Policy Statement for Free and Reduced-Price Meals, Attachment B: Meal Count/Collection Procedure(s)*.11

**Standards for Coding.** Even though CEs are not required to use a specific coding method, each CE’s coding method must meet the following two standards:

1. Protect students’ privacy and prevent overt identification.
2. Allow the CE to link the meal served to an individual student to the student’s eligibility category.

<table>
<thead>
<tr>
<th>Information Box 2</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Coding Suggestions</strong></td>
</tr>
<tr>
<td><strong>Series:</strong></td>
</tr>
<tr>
<td><strong>Student Number:</strong></td>
</tr>
<tr>
<td><strong>Variations in Formatting:</strong></td>
</tr>
<tr>
<td><strong>Subtle Differences:</strong></td>
</tr>
<tr>
<td><strong>Number of Digits:</strong></td>
</tr>
<tr>
<td><strong>Computer-coded Student ID Numbers:</strong></td>
</tr>
</tbody>
</table>

---

11 See *Administrator’s Reference Manual (ARM), Section 2, Application and Agreement* for additional information on this form.
Strategies to Prevent Overt Identification. CEs must assure that a student’s eligibility status is not disclosed at any point in the process of providing free or reduced-price meals.

The following strategies are often used to prevent overt identification:

- Change the medium of exchange coding system yearly to prevent the use of a previous year’s tickets and tokens.
- Use a code that includes a combination of multiple letters or numbers (See Information Box 2, Coding Suggestions.)
- Shield the view of lists, whether paper or on a computer, from the sight of students and adults.

Coding Methods. The following coding methods are often used by CEs, but CEs may develop a different method as long as it meets the standards for coding:

- **Verbal Identifier/Cashier List System.** Each student is given a verbal identifier (such as a name or number) to give to the cashier (or staff member) at the POS. The cashier records the student’s meal as reimbursable or non-reimbursable on a master list or roster (manual or electronic system) that is the source for (1) determining the student’s eligibility status and (2) reporting or claiming the student’s meal as reimbursable or non-reimbursable.

  For Example:

  1. **Student Name:** The cashier records the meal served by the student’s name on a list as he or she passes the point-of-service.
  2. **Roster Number:** The student gives the cashier her or his number, and the cashier checks the meal the student was served beside the number.

<table>
<thead>
<tr>
<th>Advantage of Method</th>
<th>Disadvantage of Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>- There is nothing to lose or be destroyed.</td>
<td>- Identifier can be used by another student.</td>
</tr>
<tr>
<td>- The same document is used to tie the student’s identifier directly to the eligibility coding system.</td>
<td>- Students may forget their numbers and slow down the line.</td>
</tr>
<tr>
<td></td>
<td>- Coded rosters can be time consuming to use for manual counting systems.</td>
</tr>
</tbody>
</table>

*(NOTE: If the cashier or staff member at the POS uses a highlighter to mark students’ names, the highlighter color must be the same for free, reduced-price, or paid to prevent overt identification.)*
• **Tickets or Tokens.** All students—those who prepay and those who receive free, reduced-price, and paid meal benefits—receive a ticket or token that is later redeemed for a reimbursable meal. To prevent overt identification, all students, no matter the eligibility category, must use the ticket or token at the point of service to receive a meal if this method is used. Tickets or tokens may be issued or sold in the cafeteria, principal’s office, or classroom in advance of the meal service on a daily, weekly, or monthly basis. Students receiving free and reduced-price meal benefits must be issued a ticket or token identical to the ones issued to students who prepay, except for the code that identifies the eligibility category.

For Example:

1. **The CE uses a coded ticket system.** The tickets for all students look the same, but a series of numbers at the bottom codes the student as eligible to receive free, reduced-price, or paid meals. These tickets may be scanned or a coded number may be entered at the POS.

2. **The CE uses an auto tabulator or clicker (with three separate counters).** As students present tickets at the POS, a staff member records the meals served on the appropriate counter.

3. **Each ticket issued by the CE has a coded tear-off section which has a student number or identifier.** As a student passes the POS, a perforated section is torn off. A staff member notes each tear off as a reimbursable or non-reimbursable meal. The tickets are later sorted to create a daily count of free, reduced-price, and paid meals.

<table>
<thead>
<tr>
<th>Advantage of Method</th>
<th>Disadvantage of Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>• When collected at the point of service, this method provides a means of physically counting the meals by eligibility category.</td>
<td>• Tickets can be destroyed, transferred, lost, stolen, or sold.</td>
</tr>
<tr>
<td></td>
<td>• In large districts, this may be cumbersome.</td>
</tr>
<tr>
<td></td>
<td>• If not coded properly, may result in overt identification.</td>
</tr>
</tbody>
</table>
• **Coded Identification (ID) Cards.** All students are issued a coded ID with a coded bar. As students pass through the point of service, their cards are scanned or identification numbers are manually entered into a keypad/POS system. These cards may also serve as IDs for other purposes.

  *For Example:* The first day of school students are given a coded picture ID on a lanyard. The students are required to wear their IDs throughout the day. At meal times, each student’s ID is presented and scanned at the POS. As each ID is scanned, the staff worker records the meal as reimbursable or non-reimbursable. The software program used by the CE automatically counts the reimbursable meals by eligibility category as each meal is recorded.

<table>
<thead>
<tr>
<th>Advantage of Method</th>
<th>Disadvantage of Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Cards are not easily transferred to another student if photo is on the card.</td>
<td>• Cards can be lost, stolen, or destroyed.</td>
</tr>
<tr>
<td>• Lunch information can be incorporated into the student’s ID card, a cost saving, accurate, and time saving method.</td>
<td>• Some types of cards or unlinked readers prevent multiple uses during the same meal.</td>
</tr>
<tr>
<td>• A coded bar line prevents overt identification on the line.</td>
<td>• Startup or replacement cost may be high.</td>
</tr>
</tbody>
</table>

**Prohibited Coding Practices.** The following coding practices are prohibited in coding:

• Using a color coding system that allows students to be identified by eligibility category

• Using single-symbol or single-digit or letter coding that has obvious identifiers, such as *F, R, P*

• Assigning students to lines, groups, seating areas, or meal times based on their eligibility status

• Limiting a student’s choice of meal based on her or his eligibility status

• Using any system that overtly identifies students’ eligibility category

• Basing the count of reimbursable meals solely on a visual identification or knowledge of the students’ eligibility categories

  *(NOTE: Even though this system may work in some instances, a backup system must be established for other cashiers to determine student’s eligibility and whether the meal chosen met the requirements to be reimbursable.)*

---

12 A student may purchase a reimbursable meal and then purchase an a la carte item during the same meal service.
Unacceptable Meal Counting Methods
Counts taken by any method that does not link the student to the meal served to the student at the POS are not acceptable. To be creditable, cafeteria staff need to verify that each student was served a reimbursable meal. Unacceptable counting methods include the following:

- **A La Carte.** Coding and counting food items sold independently of the reimbursable meal as reimbursable—CEs must account for a la carte items sold distinctly from reimbursable meals because a la carte items cannot be claimed for reimbursement.

- **Attendance Counts.** Using the number of students in attendance as a meal count—This method does not provide a verifiable or accurate count of reimbursable meals served.

- **Backing Into the Number.** Any method of counting reimbursable meals that uses summary totals instead of a method for the cashier to count the individual meal served to each student.
  
  *For Example:* The cafeteria staff prepare 100 trays; 20 trays remain unserved at the end of the meal—therefore, the cafeteria served 80 reimbursable meals.

- **Cash Totals.** Using cash totals to determine the number of meals served. This method accounts for cash received but does not provide a verifiable count of reimbursable meals served by category. In addition, this method allows cash collection errors to translate into meal count errors.

- **Category/Cash Back-out System.** Calculating the meal count by subtracting the number of meals from another category—CEs must count the number of meals served in each category: free, reduced-price, or paid categories at the point of service.

- **Classroom Counts.** Counting the number of students in the class who indicate that they intend to eat a meal prior to the meal service—Students intending to eat may not actually do so, and there are no controls at the point of service to count reimbursable meals.

- **Counting Off Site.** Counting the number of meals delivered to the school—The number of meals delivered to a school is not necessarily the number of meals that were actually served.

- **Ineligible Students.** Counting a student as eligible for free or reduced-price meals who has not been certified as eligible—CEs must certify a student’s eligibility before the student’s meals can be claimed for reimbursement. A student whose eligibility has not been certified based on income or categorical program participation must be counted and claimed as a paid meal. However, the CE has two options in assigning the effective date of an eligibility determination—date of receipt or date of approval. If the CE chooses to use the date of receipt, it may amend a previously submitted claim for meals served after date of receipt as long as the amended claim is filed within the required timeframe.¹³

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¹³ See Effective Date for Determination subsection in this section or the Administrator’s Reference Manual, Section 4, Determining Eligibility for additional information on this topic.
• **Not Counting at the POS.** Counting the free, reduced-price, or paid meals at a location other than the point of service—Unless approved by TDA, the only place an accurate count of reimbursable meals can be made is at the point where it can be determined that the meals are actually reimbursable. CEs must indicate the process used at the POS to count and claim reimbursable meals on the *Policy Statement for Free and Reduced-Price Meals, Attachment B: Meal Count/Collection Procedure(s).*\(^{14}\)

• **Prepaid/Charged Meals.** Counting the number of prepaid or charged meals on a day other than the day meals were served—When students either prepay or charge their meals, these meals must be counted on the day and at the point of service where the student is served the meal, not on the day that the prepaid meal was purchased or the charged meal was repaid.

• **Seconds.** Counting a student’s second meal as a reimbursable meal—CEs can claim only one meal per meal type\(^ {15}\) per eligible student per day.

• **Tray or Entree Counts.** Counting the number of trays or entrees used during the meal service—This method does not provide an accurate count of reimbursable meals—only of trays and entrees. Each meal must be monitored at the point of service to ensure that the meals served are reimbursable.

**Medium of Exchange**
The medium of exchange is the way students pay for meals.\(^ {16}\) The most effective CEs will link the medium of exchange to its coding system for recording the meal served to each student and that student’s eligibility status. This method ensures that claims for reimbursable meals are counted correctly.

**Elimination of Reduced-Price Charges, Non-Special Provision or Universal Feeding Sites**
CEs have the option to reduce or eliminate reduced-price charges at non-special provision or universal feeding sites where all students are served a reimbursable meal at no charge. If reducing or eliminating reduced-price charges, the CE continues to count and collect reimbursements based on each student’s eligibility status—a reimbursable meal served to a reduced-price eligible student is reimbursed at the reduced-price rate and a paid eligible student is reimbursed at the paid rate. See the *Administrator’s Reference Manual (ARM) Section 4, Determining Eligibility* for additional information on this topic.

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\(^{14}\) See *Administrator’s Reference Manual (ARM), Section 2, Application and Agreement* for additional information on this form.

\(^{15}\) For each eligible child—for NSLP, one lunch per day; for SBP, one breakfast per day, or one Afterschool Care Program (ASCP) snack; for Seamless Summer Option (SSO), two meals per day for all types of sites except migrant or camp sites. SSO migrant or campsites may be reimbursed for three meals per day. See *Administrator’s Reference Manual, Section 10, Afterschool Programs* and *Section 12, Seamless Summer Option (SSO)* for additional information on this topic.

\(^{16}\) See *Administrator’s Reference Manual, Section 15, Meal Pricing* for additional information on mediums of exchange, including methods of payment and charging.
Additional Guidance for UFBP. CEs must adhere to the following guidance to participate in UFBP:

- The CE agrees to pay the program costs for all students eating at no charge if program funds are not sufficient to cover the total costs of operating the UFBP. Administrator’s Reference Manual, Section 14, Financial Information Concerning School Nutrition Funds and Section 15, Meal Pricing provide additional information on allowable use of SNP funds for sites that offer UFBP.

- The CE must change its Policy Statement for Free and Reduced-Price Meals, Attachment B: Meal Count/Collection Procedures before implementation if the site’s collection or counting and claiming procedures change because of offering UFBP annually. No other formal approval process is necessary to begin UFBP.

Claiming Reimbursement for Meals and Milk Served

CEs submit claims for reimbursement through the Texas Unified Nutrition Programs System (TX-UNPS). When the CE’s authorized representative submits claims for the CE, that person is responsible for

1. ensuring that the reimbursement claim is based on an accurate number of meals and milk served to eligible students in each of the three eligibility categories—free, reduced-price, and paid meals or free or paid milk—and

2. ensuring that the cashier or other staff member is knowledgeable and skilled in recognizing a reimbursable meal.

Reimbursable meal counts must be counted at the point of service (POS) and reported in TX-UNPS as required by program (NSLP, SBP, ASCP, SSO, SFSP, or CACFP at Risk).

Standard Counting and Claiming for Reimbursable Meals

When a CE uses standard counting and claiming, the CE submits the total number of reimbursable meals served for the month for each eligibility category—free, reduced-price, and paid—in TX-UNPS.

Reimbursement Rates. Reimbursement rates are different for each category of meal benefit (free, reduced-price, or paid) and for each type of meal served (lunch, breakfast, or snack). TDA posts the current reimbursement rates at http://www.squaremeals.org.

Standard Claiming Calculation. For standard claiming sites, TX-UNPS applies the data on participant eligibility entered by the CE each month to automatically calculate the claiming percentage for each eligibility category—free, reduced-price, or paid—for the month.

17 Available at http://www.squaremeals.org.
18 See the Administrator’s Reference Manual, Section 3, Records Retention for more information on the deadline.
Standard Claiming, Rounding. The claiming percentages are carried four decimal places and applied to the total number of reimbursable meals claimed for the month.

When the percentages are applied, the results may include partial meals for one or more of the eligibility categories. If this occurs, standard rounding procedures (five and above round up; four and below round down) are applied to reimbursable meals to be claimed for each category.

After rounding is completed, TX-UNPS will automatically make sure that the total number of meals claimed in the categories matches the total number of reimbursable meals the CE submitted for the month. If an adjustment is needed, it will be made to the paid category.

Increased ISP Mid Cycle. During the second, third, and fourth year of the CEP cycle, TX-UNPS will automatically apply the highest identified student percentage based on the data recorded in the March CEP report each year.\(^{{19}}\)

Special Provision Counting and Claiming for Reimbursable Meals

If a CE is operating CEP or P2 in a non-base year, the claiming percentage for each eligibility category—free, reduced-price, or paid as appropriate for the special provision—is established prior to CE submitting meal counts.\(^{{20}}\) Each month the CE operating CEP and P2 in a non-base year submits the total number of reimbursable meals served by type of meal, and the system automatically applies the appropriate claiming percentage for each category.

The CE reports the total count of reimbursable meals served in TX-UNPS. When the CE enters the total number of reimbursable meals served into TX-UNPS for reimbursement, the system will automatically apply the percentages of meals to be reimbursed at the free and paid rates.

For Example: If a CEP CE served 25,000 meals during the month of November and had a percentage of reimbursement at the free rate of 91.2% (ISP of 57% x 1.6) and a paid rate of 8.8% as follows.

\[
\begin{align*}
91.2\% \times 25,000 \times \text{free rate} & \quad + \quad 8.8\% \times 25,000 \times \text{paid rate} \\
& = \text{Total Reimbursement}
\end{align*}
\]

CEs must perform these counts on a daily basis to ensure accuracy. See the Accuclaim/Edit Check subsection in this section for additional information on maintaining accurate counts. If the CE has both CEP and non-CEP locations, the CE will use its regular methods for counting and claiming for any location not operating CEP.

If a site adopts CEP after July 1, the CE cannot retroactively apply CEP claiming percentages for reimbursable meals that were previously claimed under standard claiming at the site.

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\(^{{19}}\) See the Administrator’s Reference Manual, Section 7, Counting and Claiming for additional information on this topic.

\(^{{20}}\) See the Special Situations, Claiming subsection in this section and the Administrator’s Reference Manual, Section 5, Special Provision section for additional information on this topic.
Special Provision Claiming, Rounding. The CE claiming percentage for each category is carried two decimal places and is rounded up or down to one decimal place using standard rounding procedures (five and above round up; four and below round down). Once the claiming percentages are rounded to one decimal place, the paid percentage is adjusted if the sum of the percentages does not equal 100%. For P2 sites that annualize their claiming percentage, see the P2 Annualized Claiming Percentages for Non-Base Years subsection in this section.

When the percentages are applied, the results may include partial meals for one or more of the eligibility categories. If this occurs, standard rounding procedures (five and above round up; four and below round down) are applied to reimbursable meals to be claimed for each category.

After rounding is completed, TX-UNPS will automatically make sure that the total number of meals claimed in the categories matches the total number of reimbursable meals the CE submitted for the month. If an adjustment is needed, it will be made to the paid category.

CEP, Claiming Percentage for Single Sites

The claiming percentage for a single site is based on the site’s total number of students identified as eligible without application (identified students) divided by the site’s total enrolled students: The result of this calculation is called the identified student percentage (ISP). The ISP is multiplied by the multiplier factor to calculate the free claiming percentage. The maximum free claiming percentage is 100 percent. The paid claiming percentage is calculated by subtracting the free claiming percentage from 100 percent. The maximum combined free and paid claiming percentage for CEP is 100 percent.

Multiplier Factor. The multiplier factor is subject to change each year. The current multiplier factor is posted at www.squaremeals.org. For the 2015-2016 school year, the multiplier factor is 1.6.

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21 See Administrator’s Reference Manual, Section 5, Special Provisions for additional information on this topic.
CEP Claiming Percentage for Grouped CEP Sites

The claiming percentage for a group of CEP sites is based on the sum of the total students identified as eligible without application (identified students) divided by the sum of total enrolled students for the group of sites. The result of this calculation is called the identified student percentage (ISP). The ISP is multiplied by the multiplier factor to calculate the free claiming percentage. This calculation is demonstrated in the CEP Claiming Percentage for Grouped Sites Calculation Chart. The maximum free claiming percentage is 100 percent. The paid claiming percentage is calculated by subtracting the free claiming percentage from 100 percent. The maximum combined free and paid claiming percentage for CEP is 100 percent.

P2 Claiming, Base Year

During the P2 base year, standard procedures for counting and claiming reimbursable meals are followed by the CE. Each day the CE counts the number of reimbursable meals served at each P2 school by eligibility category—free, reduced-price, and paid.

P2 Claiming, Non-Base Years

During the non-base year, when the CE submits the total number of reimbursable meals served each month, TX-UNPS automatically applies the blended rate to that number. The blended rate is the assigned percentages for free, reduced-price, and paid meals established the based year. The claiming percentages for each category will not vary from month to month. See the Annualized Claiming Percentages for Non-Base Years subsection in this section for additional information on claiming related to P2.

P2 Claiming Percentages Annualized for Non-Base Years

A CE may elect to annualize its claiming percentages by site or CE-wide using the blended rate established during the base year. The blended rate is the assigned percentages for free, reduced-price, and paid meals established the based year. To exercise this option, the CE must designate participation in the TX-UNPS Application Packet screen for P2 during the application renewal process.

Each month the CE records the total number of reimbursable breakfasts served and total number of reimbursable lunches served at all P2 sites in TX-UNPS. The TX-UNPS system applies the percentage (in decimal form) for each category using the base year claims. The CE does not have to enter claim counts by individual eligibility category—free, reduced-price, or paid.

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22 See Administrator’s Reference Manual, Section 5, Special Provisions for additional information on this topic.
When the percentage is annualized, the percentage is converted to a decimal carried to the sixth place. If the three eligibility percentages, when converted, do not add to 1.0000 (because the decimals are carried to the 4th place), the paid percentage will be adjusted to make the total of the three categories equal 1.0000.

**Annualized Percentage, Schools Adopting Provision 2 on a Different Cycle.** A CE may add new Provision 2 schools during the application renewal process. In these cases, TDA manually records the annualized percentages if

1. The CE uses the same data sources for the new P2 school as an existing P2 school.
2. The CE annualizes P2 schools CE-wide/districtwide.

The CE must notify TDA to annualize claiming when a new P2 school is added that meets these conditions.

**Annualized Percentage and Delayed Operation of P2.** If a CE chooses delayed operation, the annualized percentage does not include the month of delay in the calculation for an annualized percentage.

**P2 Special Claiming Situations**

*Additional Reimbursements Under P2.* CEs or sites qualifying for performance-based reimbursement, Severe Need Breakfast, or Severe Need Lunch\(^{23}\) reimbursement will continue to receive the added reimbursement if operating P2.

*Delayed Operation, First Claiming Period.* If delayed operation for the first month of operation is approved by TDA, the first claiming period of the school year is not considered part of the base year. At the end of the school year, when the CE’s monthly claim reports are annualized, that month is not included in the calculation. After the base year, all months of operation are included in annualization.

\(^{23}\) Severe need lunch is also called two-cent differential.
Designated Staff to Submit Reimbursement Claims

When the CE completes its application and the Certificate of Authority for External Users (FND-101) form, it designates an authorized representative to submit claims for the CE. The CE’s representative is given a user identification (user ID) and password to access the electronic claims system in TX-UNPS. By entering the user ID and password, the authorized representative is providing a legal signature on each claim for reimbursement. For this reason, it is important that the CE restrict access to the user ID and password to those individuals with delegated authority to sign claims on the CE’s behalf.

TDA also recommends that CEs have a back-up person designated to submit claims. The back-up person must also be an authorized representative for the CE. Having at least one other staff member as an authorized representative who can submit claims may lessen the chance of submitting a late claim that may be denied because of late submission. The absence of the regularly assigned staff person to submit claims within the required timeframe is not automatically an acceptable reason for submitting a late claim.

Special Situations, Claiming

The following guidance may assist a CE in addressing special situations in claiming for reimbursement:

**Additional Reimbursements Special Provision Options.** CEs or sites qualifying for performance-based reimbursement, Severe Need Breakfast, or Severe Need Lunch reimbursement will continue to receive the added reimbursement if operating CEP or P2.

**All Cash Lines.** Meals and milk served on an all-cash line may not be claimed for reimbursement even if the same items are offered on another serving line. If certain lines are not made available to all children, including those receiving free or reduced-price meals or free milk and meals, the meals or milk served on those lines must not be claimed for reimbursement.

**Alternative Schools or In-School Suspension.** CEs operating alternative schools or in-school suspension (ISS) must establish procedures for maintaining eligibility determinations and counting and claiming of reimbursable meals. Sometimes, these procedures will vary from those established for regular schools.

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25 Severe Need Lunch is also called Two-Cent Differential.
Community Eligibility Provision (CEP). The following guidance addresses issues related to claiming and the operation of CEP.

*Increased Identified Student Percentage*

In the second, third, and fourth year of the CEP cycle, TX-UNPS will automatically apply the highest identified student percentage based the data recorded in the March CEP report for the previous year.

*For Example:*

<table>
<thead>
<tr>
<th>School Year</th>
<th>ISP, Previous Year’s CEP Report</th>
<th>Claiming Percentage, Previous Year’s CEP Report</th>
<th>Claiming Percentage, Claims Applied</th>
</tr>
</thead>
<tbody>
<tr>
<td>School Year 1</td>
<td>56.89</td>
<td>91.024</td>
<td>91.024</td>
</tr>
<tr>
<td>School Year 2</td>
<td>55.98</td>
<td>89.568</td>
<td>91.024*</td>
</tr>
<tr>
<td>School Year 3</td>
<td>58.32</td>
<td>93.312</td>
<td>93.312</td>
</tr>
<tr>
<td>School Year 4</td>
<td>58.89</td>
<td>94.224</td>
<td>94.224</td>
</tr>
</tbody>
</table>

* The claiming percentage from the prior year continues to apply if the CE’s ISP decreases during the second, third, or fourth year of the cycle unless the CE chooses to restart the 4-year cycle at a lower or higher claiming percentage.

*Return to Normal Counting and Claiming*

If a CE or site stops operating CEP midyear or at the end of the school year, the CE must switch to normal counting and claiming procedures which includes taking applications for all students who are not directly certified as participating in one of the categorically eligible programs. See Administrator’s Reference Manual, Section 4, Eligibility Determination and Section 5, Special Provisions for additional information on this topic.

*Vended Meal Claiming*

If a CE operating CEP also provides vended meals to other CEs or schools from other CEs, the meal counts from the other CEs cannot be included in the CE’s CEP claims.

*Meals Prepared for Field Trips.* Reimbursable meals consumed on school-sponsored, supervised field trips may be claimed for reimbursement since the meals are prepared by the SNP department and served and consumed as part of a school-related function. A list, roster, or other method of claiming the meals must be used to record the meals students were served.

*Offsite Reimbursable Meal.* If students attend an offsite facility that does not participate in a meal program, a school may claim reimbursable meals for students enrolled in the school that are served during the school’s normal meal time while the students attend offsite work-study or alternative academic program classes. Reimbursable meals in this type of situation may include, but are not limited to, a takeout or sack lunch.
**Students in Special Off-Campus Programs.** A student who is enrolled at a home campus and attends class at an off-campus location during meal times may participate at the home campus meal service on days when the special program is not in session. In these cases, the home campus may claim meals for reimbursement.

**Student Workers.** All meals claimed for student workers should be claimed based on the student’s eligibility category. However, the student does have the option to pay for meals even if the student is eligible for free or reduced-price meals. In cases where students who are eligible for free or reduced-price meals choose to pay for meals, the meals must be claimed at the paid rate.

**Visiting SNP Participants.**26 There are times when students from one CE (sending CE) are served meals by another CE (hosting CE) for either a short-term (a few days) or a long-term (entire school year) period.

*For Example:* Students from a sending CE are served reimbursable meals by a hosting CE during a basketball tournament.

The hosting CE may claim reimbursement for meals served to visiting students,27 or the sending CE may claim reimbursement. However, both CEs cannot claim reimbursement for the same meal for the same student.

*Eligibility Determination Not Shared*

If the sending CE does not provide eligibility information or if the student is from a CE that does not participate in the SNP, then, the hosting CE may claim reimbursement for the meals served to the students in the paid category. The sending CE would not claim reimbursement for the student’s meals.

*Eligibility Determination Shared*

If the sending CE provides the hosting CE with a student’s eligibility, the hosting CE may claim reimbursement by eligibility category. The sending CE would not claim reimbursement for the student’s meals.

*Hosting CE Claims Reimbursement*

If the hosting CE claims reimbursement, the hosting CE will claim reimbursement for eligible students in the proper category. The sending CE would not claim reimbursement for the student’s meals.

*Sending CE Claims Reimbursement*

If the hosting CE charges the sending CE for the price of the student’s meals to recoup the cost, the sending CE would claim the student’s meal. The hosting CE would not claim reimbursement for the student’s meals.

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26 See the Records Retention, Counting and Claiming subsection if this section for additional information on this topic.

27 Include this information in daily record or Accuclaim report as described in the Accuclaim subsection in this section.
Universal Free Feeding (Universal Feeding)

A reimbursable meal for a student from a universal feeding site who visits a non-universal site may be claimed at the universal feeding site. If the two sites are located in different CEs, the two CEs should mutually agree on the method for claiming so that the meal is claimed by one site only.28

Weekend Meal Service. Breakfast and lunch meals may be served and claimed on Saturday if a CE holds classes on Saturday that are part of the CE’s regular instructional program where students are required to attend Saturday classes. Weekend meals cannot be claimed if the meals are served during a school-affiliated extracurricular event or activity, such as football, band, or choral activity.29

Performance-Based Reimbursement for Reimbursable Meals

CEs that have demonstrated compliance with the meal pattern are certified to receive an additional performance-based reimbursement for each reimbursable lunch served (free, reduced-price, and paid).30 This additional reimbursement applies to NSLP and SSO. The amount a CE receives for performance-based reimbursement is subject to change each year. Current performance-based reimbursement rates are posted at www.squaremeals.org.

Previously Certified Sites No Longer Eligible for Performance-Based Reimbursement. If a CE is determined to be out of compliance with the meal pattern requirements, it will no longer earn the performance-based reimbursement. When the CE is again certified to be in compliance with the meal pattern, the performance-based reimbursement will restart.31

New CEs. New CEs are required to become certified with the meal pattern as part of the application process. Once certified, the CE will receive performance-based reimbursement for each reimbursable lunch served.

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28 See the Administrator’s Reference Manual (ARM), Section 4, Determining Eligibility for additional information on this topic.
29 See Administrator’s Reference Manual, Section 26, Residential Child Care Institutions for additional information on weekend meal service specific to this type of entity.
30 See the Administrator’s Reference Manual (ARM), Section 2C, Certification for Performance-Based Reimbursement for additional information on this topic.
31 The Contact Information for the Texas Department of Agriculture (TDA), Food and Nutrition page at the beginning of this section provides detailed information on how to contact TDA.
Severe Need Breakfast Reimbursement for Reimbursable Meals

Severe Need Breakfast reimbursement was established to provide additional support to CEs with populations of high economic need. Sites in which 40 percent or more of the reimbursable breakfasts served in the second preceding year were free or reduced-price are eligible to receive the Severe Need Breakfast reimbursement in addition to the standard breakfast reimbursement rate. The percentage to qualify for Severe Need Breakfast cannot be rounded up. It is possible that a CE will have sites that receive Severe Need Breakfast reimbursement and others that do not.

CEs that qualify for and have applied for Severe Need Breakfast reimbursement will receive the reimbursement amount for the eligible sites in addition to the standard reimbursement for each reimbursable breakfast meal served. To apply for Severe Need Breakfast, the CE must send a letter to TDA requesting serve need breakfast reimbursement. \(^{32}\)

**Amount of Reimbursement.** The amount a CE receives for Severe Need Breakfast reimbursement is subject to change each year. Current Severe Need Breakfast reimbursement rates are posted at [www.squaremeals.org](http://www.squaremeals.org).

**Existing Sites Whose Percentage Falls Below 40 Percent.** If a site falls below 40 percent, the site is not eligible for Severe Need Breakfast reimbursement. However, the CE may requalify sites for other school years if 40 percent or more of the reimbursable lunches served for three claims during the year were free or reduced price. In this case, the CE must send a letter (or email) to TDA requesting Severe Need Breakfast reimbursement. \(^{33}\)

**New Sites.** When a new site opens, the CE may not have participation data from previous years that reflect the site’s current population, so the CE may not be able to demonstrate that the site is eligible for Severe Need Breakfast.

However, in the following situations, data from the second preceding year for a new school may be used to establish eligibility for Severe Need Breakfast reimbursement:

- A site changes its name with no change in location or student membership
- A site moves to a new build with no changes in the student membership
- A combination of a change in name and move to a new building
- Two or more schools identified as having severe need (40 percent of students served free or reduced-price lunches) combine their entire student membership into one site

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\(^{32}\) The letter may be submitted by email to the address listed on the Contact Information for the Texas Department of Agriculture (TDA), Food and Nutrition page at the beginning of this section.

\(^{33}\) The Contact Information for the Texas Department of Agriculture (TDA), Food and Nutrition page at the beginning of this section provides detailed information on how to contact TDA.
When the CE determines that a new site is eligible for Severe Need Breakfast, the CE must send a letter (or email) to TDA requesting the Severe Need Breakfast reimbursement.34

In instances where participation data from the second preceding year is not available, a new site may demonstrate that it qualifies or the Severe Need Breakfast reimbursement if the site serves at least 40 percent of its lunches free or at a reduced price for the first three claims for the current year. The CE must send a letter to TDA requesting Severe Need Breakfast reimbursement.35 In these cases, the Severe Need Breakfast reimbursement is applied retroactively to the three months that were used to establish the site’s eligibility.

**Severe Need Lunch Reimbursement (Two Cent Differential) for Reimbursable Meals**

Severe Need Lunch reimbursement was established to provide additional support to CEs with populations of high economic need. CEs in which 60 percent or more of the reimbursable lunches served in the second preceding year were free or reduced-price are eligible to receive the Severe Need Lunch reimbursement. The percentage to qualify for Severe Need Lunch cannot be rounded up.

If the CE is eligible for Severe Need Lunch, all sites receive the additional severe need lunch reimbursement. To apply for Severe Need Lunch, the CE must send a letter to TDA requesting serve need lunch reimbursement.36

**Amount of Reimbursement.** The amount a CE receives for Severe Need Lunch reimbursement is subject to change each year. Current Severe Need Lunch reimbursement rates are posted at www.squaremeals.org.

**CEs Whose Percentage Falls Below 60 Percent.** If a CEs claiming percentages falls below 60 percent, the CE is not eligible for Severe Need Lunch reimbursement. However, the CE may requalify if 60 percent or more of the reimbursable lunches served for three claims during the year were free or reduced price. In this case, the CE must send a letter (or email) to TDA requesting Severe Need Lunch reimbursement.37

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34 The Contact Information for the Texas Department of Agriculture (TDA), Food and Nutrition page at the beginning of this section provides detailed information on how to contact TDA.

35 The Contact Information for the Texas Department of Agriculture (TDA), Food and Nutrition page at the beginning of this section provides detailed information on how to contact TDA.

36 The letter may be submitted by email to the address listed on the Contact Information for the Texas Department of Agriculture (TDA), Food and Nutrition page at the beginning of this section.

37 The Contact Information for the Texas Department of Agriculture (TDA), Food and Nutrition page at the beginning of this section provides detailed information on how to contact TDA.
New CEs. When a new CE opens, the CE may not have participation data from previous years that reflects the CE’s current population, so the CE may not be able to demonstrate that the CE is eligible for Severe Need Lunch.

However, in the following situations, data from the second preceding year for a new CE may be used to establish eligibility for Severe Need Lunch reimbursement:

- A CE changes its name with no change in location or student membership
- A CE moves to a new building with no changes in the student membership
- A combination of a change in name and move to a new building
- Two or more schools that served 60 percent or more free or reduced price lunches combine their entire student membership into one CE

When the CE determines that a new CE is eligible for Severe Need Lunch, the CE must send a letter (or email) to TDA requesting the Severe Need Lunch reimbursement.38

In instances where participation data from the second preceding year is not available, a new CE may demonstrate that it qualifies or the Severe Need Lunch reimbursement if the CE serves at least 60 percent of its lunches free or at a reduced price for the first three claims for the current year. In these cases, the Severe Need Lunch reimbursement is applied retroactively to the three months that were used to establish the CE’s eligibility.

Reimbursement Procedures

While the SNP programs operate on a school year (SY) calendar—July 1 to June 30, the submission of claims follows the federal fiscal year—October 1 to September 30. CEs must submit meal counts by eligibility category by site for reimbursement. TDA no longer accepts consolidated site claims from CEs. Claims submitted on or before the 10th of each month receive the most prompt reimbursement. CEs must submit their claims no later than 60-calendar days after the last day of the claim month. This is called the 60-Calender Day Rule. TDA does not reimburse claims after 60 calendar days except as described in Late Claim subsection in this section.

38 The Contact Information for the Texas Department of Agriculture (TDA), Food and Nutrition page at the beginning of this section provides detailed information on how to contact TDA.
**60-Calender Day Rule.** Federal regulations governing the SNP require that claims for reimbursement be submitted to TDA within 60-calendar days of the claim month. The 60-Calendar Day Rule Chart provides the timeframe for submitting claims.

<table>
<thead>
<tr>
<th>Month</th>
<th>Last Day for Claim Submission</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>April 1 (Leap Year – March 31)</td>
</tr>
<tr>
<td>February</td>
<td>April 29</td>
</tr>
<tr>
<td>March</td>
<td>May 30</td>
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<tr>
<td>April</td>
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<td>October</td>
<td>December 30</td>
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<tr>
<td>November</td>
<td>January 29</td>
</tr>
<tr>
<td>December</td>
<td>March 1 (Leap Year – February 29)</td>
</tr>
</tbody>
</table>

The 60-Calender Day Rule timeframe is applicable to all 12 months of the year. In applying the 60-Calender Day Rule, the following guidance will be helpful:

1. **Accurate 60-Calender Day Rule.** TDA does not reimburse claims submitted after 60 calendar days following the last day of the claim month.\(^{39}\)

2. **Weekends/Holidays.** If the 60\(^{th}\) day is on a weekend or holiday, the claim must be received no later than midnight on the next TDA operating day following the weekend day or holiday.

3. **Summer Months.** CEs need to be sure that any claims for the summer months are submitted within the 60-day time limit.

4. **Unusual Number of Operating Days in a Month.** If the first or last month of SNP operations for any year contains 10 operating days or fewer, a CE may add that month’s claim to the appropriate adjacent month’s claim for reimbursement with the exception of adding the claims for June and July.

\(^{39}\) See the Late Claim subsection in this section for additional information and the one exception to this policy.
5. **June/July.** A CE **may not** combine the claims for June and July if it has an unusual number of operating days—less than 10 operating days during the month.

6. **Month of Review.** For an AR, the month of review for claims is the month the last claim was filed. If the CE has not filed its claim for the previous month, the reviewer will look at all information from the month the last was claim filed and all information between that claim and the day of the review.

**Effective Date for Eligibility Determination.** CEs have the option to make the effective eligibility date (1) the date the application was received by the CE or (2) the date a student’s categorical eligibility is designated as approved by the administering agency.\(^4\) If the CE uses one of these options, the CE may adjust its claim for all eligibility determinations made under the option if reimbursable meals were claimed as paid or reduced-price and later determined to be reduced-price or free as long as (1) the CE has a method in place to refund the overpayments to students or households, and (2) the claim is adjusted as described in 60-Calendar Day Rule subsection of this section.

\(^4\) See the Administrator's Reference Manual (ARM), Section 4, Determining Eligibility for additional information on this topic.

**Response to Audit Findings.** If audit findings indicate that the CE has submitted claims for reimbursement that are incorrect, the CE must adjust the impacted claims and take corrective action to prevent further violations. In correcting previous claims because of an audit finding, the adjustment may be upward or downward. When an audit finding results in the need for an upward or downward claim adjustment, the 60 calendar day claim rule is suspended. If the CE does not adjust its claims and/or take appropriate corrective action, TDA may take fiscal action for any violations found during an audit. In these situations, CEs must consult TDA before making a claim adjustment.

**Adjusted Claims**

If TDA processes an adjusted claim for a month in the current federal fiscal year—October 1 to September 30, TDA will reconcile any overpayment or underpayment against any outstanding claims for the current federal fiscal year. If the outstanding claims are not sufficient to reconcile the adjusted claim, TDA will process a request for payment for any underpayment and require the CE to submit any remaining overpayment. However, CEs should not send unsolicited refund checks to the TDA.

**Downward Adjustments.** The 60-Calendar Day Rule does not apply to downward adjustments. However, a downward adjustment or overclaim must be made for the
overclaim month within the federal fiscal year in which the overclaim month occurs. When the adjustment of a claim is made to decrease the amount of a submitted reimbursement claim and to return funds to TDA—an overclaim, the following guidelines are used:

- **Electronic Submission of Adjustment by CE.** When a downward adjustment of funds is discovered by a CE, the CE must submit its adjusted claim electronically via TX-UNPS or contact TDA for further instructions at (877) TEX-MEAL.

- **Administrative Review (AR).** TDA may downward adjust a claim as a result of an administrative review at any time.

- **Additional Review Related to Financial Issues.** TDA may downward adjust a claim as a result of an additional review related to financial issues at any time.

**Repeated Adjusted Claims Within the 60-Calendar Day Rule Timeframe.** TDA will suspend payments if repeated adjusted claims are submitted. The suspension will remain in effect until the CE demonstrates that it has procedures in place to produce a final claim for each month on time.

**Upward Adjustments.** When an adjustment of a claim is made to increase the amount of a submitted reimbursement claim for an underclaim, the following guidelines are used:

- **Within the 60-Calendar Day Rule Timeframe.** CEs may submit an adjusted claim through TX-UNPS for an upward adjustment as long as the claim is completed within 60 calendar days of the last day of the claim month. Upward revisions that are not received within the 60-day rule are not eligible for reimbursement.

- **After the 60-Calendar Day Rule Timeframe.** If a CE determines that an upward adjustment is warranted, and the 60-Day Calendar Rule timeframe has passed, the CE should contact TDA at (877) TEX-MEAL for instructions.

- **Administrative Review (AR).** TDA may upward adjust a claim as a result of an administrative review at any time.

- **Additional Review Related to Financial Issues.** TDA may upward adjust a claim as a result of an additional review related to financial issues at any time.
Late Claim

One-Time Exception Payment Provision. A late claim is one received by TDA more than 60 calendar days after the last day of the claim month. A one-time exception payment provision may be used for one specific month within a 36-month time period for each USDA Child Nutrition Program that a CE administers. The CE may choose the claim month for which the one-time exception payment provision is used.

The CE must take the following actions to apply for the One-Time Exception Payment Provision:

- **Corrective Action Plan.** A late claim is classified as program noncompliance; therefore, the CE must submit an approvable corrective action plan (CAP) to TDA that includes the following information about its claim:
  - Reason for submitting the late claim
  - Actions to be taken to avoid repetition of the situation linked to the late claim submission
  - Actions to be taken to avoid any future late claim submission from the same or other causes
  - Signature of an authorized representative designated to act on the CE’s behalf

Once the CE has submitted an approved CAP, TDA will determine if it is eligible for the one-time exception payment provision.

- **Approved Corrective Action Plan.** If TDA approves the CAP, the CE has the following options:
  - Option 1: The CE may...request to use the one-time exception payment for the claim.
  - Option 2: The CE may...decide to save its one-time exception and not apply it to the claim submitted for that month.

Late Claim Exception for Good Cause. If a CE has already used its One-Time Exception Payment Provision late claim, TDA will deny payment of the claim. However, the CE may request in writing an exception for *good cause* that demonstrates that the late-claim noncompliance occurred because of circumstances beyond its control.

- **Good Cause.** Circumstances that may be considered as *good cause* include the following:
  - Catastrophic incident such as a tornado, flood, or fire
  - Life-threatening injury or illness to the person responsible for submitting the claim
However, catastrophic incidences, life-threatening injuries, or illnesses do not automatically entitle the CE to be granted a good-cause exception. The responsibility is upon the CE to demonstrate how the catastrophic incident, life-threatening injury, or illness caused a situation that made submitting the claim within 60 calendar days unreasonable or impossible.

- **Not Considered Good Cause.** Circumstances that would not be considered good cause include the following:
  - Absence of personnel on the 60th calendar day, for reasons other than a life-threatening injury or illness
  - TX-UNPS is unavailable for electronic filing
  - Malfunction of power or equipment at CE facility
  - Failure to get the claim submitted through TX-UNPS by the 60th calendar day

**Late Claim Exception for Good Cause Procedure.** In these cases, the following guidance will apply to an exception for good cause:

- TDA will consider each good-cause exception request on a case-by-case basis.
- If TDA agrees that good cause exists, the claim will be forwarded to USDA. USDA will determine if the claim will be paid.
- If TDA does not agree that good cause exists, the claim will be denied and will not be forwarded to USDA.
- CEs cannot appeal either the non-payment of a claim by USDA’s or TDA’s ruling regarding good cause.

**Claims, Automated Accuclaim Error Messages.** When a CE submits a claim, TX-UNPS automatically analyzes the claim to determine if the number of free or reduced-price meals served exceeds the Attendance Factor for the CE. If errors are found, they are called Accuclaim Errors.

The Attendance Factor is the sum of daily attendance for the month divided by the number of operating days, which is divided by the highest daily total enrollment for the claim month.

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41 See the Accuclaim subsection in this section for additional information.
The following chart illustrates how the Attendance Factor is calculated.

<table>
<thead>
<tr>
<th>Calculating the Attendance Factor Chart</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Average Daily Attendance (ADA) for the Month</strong></td>
</tr>
<tr>
<td>(Sum of Daily Attendance for Month)</td>
</tr>
<tr>
<td>22,626</td>
</tr>
</tbody>
</table>

This calculation should be completed and recorded at the end of each month.

When an Accuclaim error is found on the claim submitted through TX-UNPS, a message appears that advises the CE that the claim appears to have a discrepancy or problem. The CE is expected to research the validity of the claim and make any adjustments needed. If the discrepancy or problem is not resolved, the Accuclaim error may require an upward or downward claim adjustment.

**Daily Record/Accuclaim Form**

The Accuclaim process was developed to improve the accuracy and accountability of reimbursement claims. Proper implementation of the Accuclaim regulations, which include edit checks and onsite reviews, will ensure that the CE has an accurate system of counting and claiming and help to prevent the necessity for an upward adjustment for an underclaim or a downward adjustment for an overclaim.

**Edit Check Record**

The CE must use the *Daily Record/Accuclaim Form* or the *Special Milk Program Worksheet* form or a similar locally-developed form for each site where meals are served to

- perform a daily edit check and
- create an edit check summary each month.

The information collected on this form allows the CE to compare the percentage of free, reduced-priced, and paid meals claimed at each site to the number of students eligible to participate in the program at each site. Although this information may be used for a variety of purposes, it is also used to help the CE identify potential claiming inaccuracies. Edit checks, and specifically the information about percentages of participation, are reviewed during the AR process.

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42 Form available at [http://www.squaremeals.org](http://www.squaremeals.org). CEs operating one of the special provisions must use the daily record/Accuclaim specific to the provision.
Accuclaim reports contain following types of information:

- **Served Students.** Daily and monthly total number of reimbursable meals or milk served to students by eligibility category and type of meal are captured through the Accuclaim/Edit Check form.

- **Served Adults.** Daily and monthly total number of meals or milk served to adults is captured through the Accuclaim/Edit Check form.

- **Average Daily Participation (ADP).** Monthly average of students participating in the meal program that were served a reimbursable meal by meal type—breakfast, lunch, or snack—and category—free, reduced-price, or paid. This number is compared to the Attendance Factor to help identify possible errors in reporting.

- **Attendance Factor.** Monthly average of students in attendance at the site divided by number of operating days for the claim month—This number is compared to ADP to help identify possible errors in reporting.

**Daily Record/Accuclaim Form for NSLP and SBP Feeding Sites Operating the Community Eligibility Provision (CEP) or Provision 2 (P2).** TDA has modified the daily record/accuclaim forms for those CEs operating the Community Eligibility Provision (CEP) or Provision 2 (P2). These modified forms—Daily Record/Accuclaim Form—Community Eligibility Provision (CEP) and Daily Record/Accuclaim Form—Provision 2 (P2)—will assist these CEs in ensuring the accuracy of their claims.43

**Daily Record/Accuclaim Form for NSLP and SBP Sites Participating in the NSLP or SBP during the Summer.** If a CE is providing meals as an extension of NSLP or SBP for an academic summer program that is not part of the Seamless Summer Option (SSO) program, the CE must continue to conduct edit checks for meals served.

**Daily Record/Accuclaim Form Results.** The Daily Record/Accuclaim Form44 assists the CE in ensuring accuracy by

- Comparing the reported number of meals or milk served to the site’s ADP

- Providing a tool for the site to compare the number of meals or milk served to the site’s daily reimbursement claims

Discrepancies or potential problems can be resolved through further investigation. Any findings should be adjusted on edit check forms and documented.45

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43 Form available at [http://www.squaremeals.org](http://www.squaremeals.org). CEs operating one of the special provision programs must use the daily record/Accuclaim form specific to the provision.


45 See the Records Retention, Counting and Claiming subsection in this section for additional information on this topic.
The *Edit Check Chart* demonstrates the possible issues the Accuclaim process can reveal and actions to take when the issue arises.

<table>
<thead>
<tr>
<th>Possible Issues</th>
<th>Actions to Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reported Number Exceeds the Number of Approved Students</td>
<td>CE needs to review the attendance records and procedures used to code eligibility to reach a correct count.</td>
</tr>
<tr>
<td>Daily number of free and reduced-priced meals claimed exceeds number of students approved for free and reduced-priced meals.</td>
<td></td>
</tr>
<tr>
<td>Reported Number in an Eligibility Category Exceeds of Number of Approved Students in that Category</td>
<td>CE needs to recheck the attendance numbers and document the reason why its meal counts are correct.</td>
</tr>
<tr>
<td>Number of meals claimed by eligibility category exceeds the number of students in attendance by category.</td>
<td></td>
</tr>
<tr>
<td>Reported Numbers Appear Repetitive or Patterned</td>
<td>CE needs to recheck the attendance numbers and coding procedures to determine if the correct numbers have been reported.</td>
</tr>
<tr>
<td>Number of meals served is the same at lunch and breakfast or is the same for multiple days for lunch or breakfast.</td>
<td></td>
</tr>
<tr>
<td>Reported Percentage Exceeds the Estimated Attendance Percentage</td>
<td>CE needs to review attendance records to determine maximum number of students by category who were present at school on the day of discrepancy.</td>
</tr>
<tr>
<td>Percentage of free and reduced-priced meals claimed exceeds estimated percentage in attendance.</td>
<td></td>
</tr>
</tbody>
</table>

**Onsite Review**

The Accuclaim regulations require that each CE with more than one feeding site perform an onsite review of the meal counting and recording procedures in each site serving lunch prior to February 1 of each school year. The *Onsite Monitoring Form—National School Lunch Program (NSLP)*[^46] is used for this self-assessment. This requirement does not apply to the Special Milk Program.

An onsite review should ensure, at a minimum, that the following requirements are met:

- The counting system is consistent with the CE’s policy statement included in its approved *Policy Statement for Free and Reduced-Price Meals, Attachment B: Meal Count/Collection Procedure(s).*[^47]
- The counting system, as implemented, yields the actual number of reimbursable free, reduced-price, or paid meals served for each day of operation.
- The counting system prevents overt identification of students receiving free and reduced-price meals.
- The system provides for adequate monitoring to ensure that only reimbursable meals or milk is counted.

[^47]: See *Administrator’s Reference Manual (ARM), Section 2, Application and Agreement* for additional information on this form.
If the review discloses problems with a site’s meal counting or claiming procedures, the CE must ensure that the feeding site develops and implements a corrective action plan (CAP). The plan should be in writing and developed jointly by the school nutrition program (SNP) director and the CE’s foodservice supervisor, director or whoever performed the review. It should detail the corrective action necessary to bring the feeding site into compliance and assign responsibility for implementing the plan. The CE should conduct a follow-up onsite review within 45 calendar days to determine if the corrective action resolved the problems and take additional actions as necessary to correct the issue.

Additional Resources
The following forms, which can be found at www.squaremeals.org, will assist CEs in the implementation of a counting and claiming system.
- Daily Record/Accuclaim Form
- Daily Record/Accuclaim Form—Community Eligibility Provision (CEP)
- Daily Record/Accuclaim Form—Provision 2 (P2)
- Monthly by Classroom Coded List Form
- Onsite Monitoring Form—National School Lunch Program (NSLP)
- Special Milk Worksheet
- Weekly/Monthly Number Coded List Form

Records Retention, Counting and Claiming
Public and charter schools must maintain records for a period of five years. Private schools, other nonprofit organizations, and residential child care institutions (RCCIs) must maintain records for three years. CEs must develop an effective system of retaining and maintaining records related to counting and claiming that includes the retention of the following information:
- Records demonstrating the accuracy of the counting and claiming system
- Rosters, sign in sheets if appropriate, daily and monthly cumulative totals for students receiving meals, snacks, or milk
- Records reflecting total meals served which includes documentation that links specific students to claims for meals or milk

(NOTE: CEs should print their Direct Certification lists from TX-UNPS before the end of the school year. These lists are not retrievable in TX-UNPS after the current year ends.)
Participation Records and Reports

CEs are required to retain the following records:

- Master lists or rosters, including student eligibility status and categorical designation, if applicable. This applies to electronic records systems or manual (paper) systems.
- Daily records for coding and counting procedures for meals and milk served by eligibility category including the following:
  - Coding lists or documents used as category identifiers
  - Electronic cash register counts if cash register reading is used for accounting purposes
  - Prepaid tracking checklists when tracking of prepaid meals is done after meal service, not at the time of service

Daily Participation Report. Each site is required to create a daily participation report. The recording method used must ensure that correct meal counts by eligibility category can be easily read, edited, and consolidated into an accurate monthly claim for reimbursement.

The CE must be able to provide complete records for each meal service for each site, including reimbursable meals and all food and beverages that are not part of the reimbursable meal. This report must include, but is not limited to, the following information:

- The total number of reimbursable meals by eligibility category—free, reduced price, and paid; total servings of food and beverages that are not part of a reimbursable meal; or milk served in each category—free, reduced-price, and paid
- The remaining balance of prepaid meal payments for each individual student that pays for meals

In all cases, the recordings of the cashier at the POS must be reflected in the site’s daily participation report.

Claiming Records

- All documents that support claims submitted
- Documentation of the specific to number of reimbursable meals or milk claimed for visiting students from another campus within the CE or from another CE
  
  (NOTE: Using a generic code or key at the point of service (POS) to indicate reimbursable meals or milk served to students not in the POS system does not provide adequate documentation for a claimed meal or milk. The CE must have documentation that explains why students were coded with a generic code or key.)
- Documentation related to establish CEP or P2 claiming percentages.
- Edit check forms
• Onsite monitoring forms
• Records demonstrating the accuracy of the counting and claiming system
• Records reflecting total meals served which includes documentation that links specific students to claims for meals
• Rosters or sign in sheets, daily and monthly cumulative totals for students receiving meals or snacks
• Written CAPs based on onsite self-assessment reviews

**Edit Check Discrepancies or Problems.** Discrepancies or potential problems can be resolved through further investigation. Any findings should be documented and kept with the site’s daily record of meals or milk claimed.

**Visiting SNP Participants Documentation**

• *Hosting CE Claims for Reimbursement.* If the hosting CE claims reimbursement, the hosting CE must keep copies of the documentation provided by the sending CE related to student eligibility. This would include such documentation as a master list or roster indicating each student’s eligibility.

• *Sending CE Claims Reimbursement.* If the hosting CE charges the sending CE for the cost of the student’s meals to recoup the cost, the hosting CE would not have to keep a copy of the visiting students’ eligibility documentation.

**Compliance**

TDA will assess compliance with the counting and claiming practices during an administrative review (AR) or at other times as appropriate. TDA’s assessment will include a review of financial records and food production documentation.

TDA will take fiscal action, as appropriate, for the following violations:

• Not meeting the counting and claiming requirements
• Inadequate or unavailable documentation related to counting and claiming

CEs with findings in these areas will be required to complete adequate Corrective Action Documentation (CAD).